

REGULAR CITY COUNCIL MEETING  
AUGUST 31, 1987

PRESENT

Ruth Hansen	Mayor
Craig Greathouse	Council Member
David Church	Council Member
Neil Dutson	Council Member
Gayle Bunker	Council Member

ABSENT

Don Dafoe	Council Member
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OTHERS PRESENT

Dorothy Jeffery	City Recorder
Richard Waddingham	City Attorney
Doyle Bender	City Treasurer
Neil Forster	Public Works Director
Roger Young	Chief of Police
Dee Church	Classic Car Club
Dale Palmer	Classic Car Club
David Clark	Zions Bank
Jack Fowles	City Resident
Gayle Whatcott	City Resident
Chet Whatcott	Boy Scout

Mayor Hansen called the meeting to order at 7:00 p.m. Dorothy Jeffery, City Recorder, acted as secretary. Mayor Hansen stated that notice of the meeting time, place and agenda was posted at the principal office of the governing body located at 76 North 200 West and was provided to the Millard County Chronicle/Progress, the local radio station, KNAK, and to each member of the City Council by personal delivery two days prior to the meeting.

MINUTES

The proposed minutes of a special City Council meeting held June 15, 1987, were presented for consideration and approval. The Council reviewed the minutes briefly, after which Council Member David Church MOVED that the minutes be approved as presented. The motion was SECONDED by Council Member Neil Dutson. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

The proposed minutes of a special City Council meeting held June 29, 1987, were presented for consideration and approval. The

Council reviewed the minutes briefly and proposed corrections, after which Council Member Gayle Bunker MOVED that the minutes be approved as corrected. The motion was SECONDED by Council Member David Church. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

The proposed minutes of a special City Council meeting held August 4, 1987, were presented for consideration and approval. The Council reviewed the minutes briefly, after which Council Member David Church MOVED that the minutes be approved as presented. The motion was SECONDED by Council Member Gayle Bunker. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

The proposed minutes of a Public Hearing held August 17, 1987, were presented for consideration and approval. The Council reviewed the minutes briefly and proposed corrections, after which Council Member Neil Dutson MOVED that the minutes be approved as corrected. The motion was SECONDED by Council Member David Church. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

#### ACCOUNTS PAYABLE

The Council reviewed the accounts payable, a list of which had been given to them two days prior to the meeting.

City Recorder Dorothy Jeffery explained that a bill was received from Cardwell Dist. Inc. in the amount of \$1,764.07. She said that \$1,297.59 has been paid but \$466.48 for road tax for fuel used during the month of July is still due.

Council Member Gayle Bunker MOVED that the City Recorder review the Motor Fuel bid from Cardwell Dist. Inc. and the date the bid was approved before payment can be made. The motion was SECONDED by Council Member David Church. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

Following a brief discussion of the accounts payable, Council Member Gayle Bunker MOVED that the accounts payable be approved for payment in the amount of \$94,782.04, including the bill from Attorney Richard Waddingham in the amount of \$1,795.05. The motion was SECONDED by Council Member David Church. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

DAVID CLARK, ZIONS BANK: RESOLUTION PROPOSING AMENDMENT TO BOND AND LOAN DOCUMENT \$390,000 CITY OF DELTA, UTAH, PERTAINING TO IRB BONDS (CEDAR INN OF DELTA PROJECT), SERIES 1982

Mayor Hansen asked David Clark, Zions First National Bank, to present a proposed resolution approving an amendment to Bond and Loan Document \$390,000 City of Delta pertaining to IRB Bonds (Cedar Inn of Delta Project), Series 1982.

David Clark, Zions Bank, explained that in 1982 Jack Fowles, owner of Cedar Inn, was issued Industrial Development Revenue bonds to finance the Cedar Inn Motel on a seven year term for \$390,000. Mr. Clark said that Cedar Inn is now requesting modification of those bonds to lower the payment amount until June 1, 1989, and proposed that the City Council approve the proposed bond modification.

Mr. Clark presented an Amendment to Financing Agreement between City of Delta and Cedar Inn of Delta and a Supplemental Indenture between City of Delta and Zions First National Bank. Mr. Clark then presented a proposed resolution entitled:

RESOLUTION NO 87-168

A RESOLUTION APPROVING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO FINANCING AGREEMENT AND A SUPPLEMENTAL INDENTURE IN CONNECTION WITH THE CITY OF DELTA, MILLARD COUNTY, UTAH INDUSTRIAL DEVELOPMENT REVENUE BONDS (CEDAR INN OF DELTA PROJECT) SERIES 1982; AND RELATED MATTERS

Attorney Richard Waddingham questioned specific language in the proposed Supplemental Indenture Agreement and Amendment to the Finance Agreement. He specifically questioned the language in the following paragraph on page 3 of the Supplemental Indenture:

The Issuer (which is Delta City) shall pay on demand interest on any overdue installment of principal and premium, if any, and (to the extent such interest shall be legally enforceable) on any overdue interest at a rate per annum equal to one percent (1%) above fluctuating the prime rate for the applicable period.

Attorney Waddingham asked David Clark specifically whether the above paragraph meant that upon default of the terms of the promissory note by the company (Cedar Inn), Delta City would be liable on the interest of any overdue installment. Mr. Clark said that was not the intent of that paragraph. Mr. Clark said that the original agreement specifically states that the bonds are limited obligations of Delta City payable solely from the revenues and receipts. Furthermore, Mr. Clark provided Attorney Waddingham a letter confirming that the proposed modifications would not change the City's liability position from that set forth in the original indenture trust. A copy of said letter is

attached to these minutes and are incorporated herein by reference and made a part of this record.\*

Attorney Waddingham advised the Council that prior to signing the "Supplemental Indenture Agreement", a clause be incorporated to reflect the limited liability imposed on Delta City pursuant to the original Indenture of the Trust, dated June 1, 1982. Furthermore, prior to signing the "Amendment to Financing Agreement" indicated. Technical correction is needed to be made to reflect the proper intent of the amendment.

Following discussion, Council Member David Church MOVED to adopt Resolution No. 87-168 as corrected by Attorney Richard Waddingham. The motion was SECONDED by Council Member Neil Dutson. Mayor Hansen asked if there were any further comments or questions regarding the motion. The Supplemental Indenture Agreement and the Amendment to Financing Agreement will not be signed or approved by Council until the appropriate corrections have been made to each agreement. Mayor Hansen then called for a roll call vote. The voting was as follows:

Council Member Craig Greathouse	Yes
Council Member Don Dafoe	Absent
Council Member David Church	Yes
Council Member Neil Dutson	Yes
Council Member Gayle Bunker	Yes

The motion passed unanimously.

PUBLIC WORKS DIRECTOR NEIL FORSTER: AIRPORT UPGRADE AND FACILITY CHANGES

Mayor Hansen asked Public Works Director Neil Forster to review with the Council Delta City Airport upgrade and facility changes.

1. Public Works Director Neil Forster said the Federal Aviation Administration (FAA) is going to abandon two buildings at the Delta City Airport and would consider donating the buildings to Delta City. Mr. Forster asked the Council if they would accept the buildings from the FAA. The Council made no decision.

2. Mr. Forster said the Department of Agriculture has requested that Delta City provide a hanger for the Department of Agriculture on a lease basis.

The Council favored lease/building by Delta City to the Department of Agriculture but felt the proposed five year lease time is possibly too short to make good investment recovery possible. The Council instructed Mr. Forster to investigate the possibility of a entering a contract with the Department of Agriculture for a longer lease period.

3. Mr. Forster explained that in order to maintain an Instrument Flight Rating (IFR) at the Delta City Airport, Delta City will be required to provide by January 1, 1988, an Altimeter Setting along with other specific weather information to air traffic. He said if Delta City is not able to provide the required information, they will lose their IFR.

The Council instructed Neil Forster to prepare a proposal regarding alternatives available, equipment, training, and other costs involved. No Council action was taken.

MAYOR RUTH HANSEN: PROPOSAL TO CHANGE REGULAR CITY COUNCIL MEETING DAY FROM MONDAY TO THURSDAY

Mayor Hansen said that it was suggested that Delta City schedule all City Council meetings on Thursday rather than Monday and asked the Council if they would be interested in doing so.

The Council Members were not in favor of changing City Council meetings to Thursday. Meetings will remain scheduled on Mondays.

WALLY CHURCH/DEE CHURCH, CLASSIC CAR CLUB: CLASSIC CAR SHOW TO BE HELD IN DELTA CITY PARK - SEPTEMBER 1987

Mayor Hansen asked Dee Church to present a request to hold a car show in the City Park.

Mr. Church said that the Classic Car Club has scheduled a Second Annual Car Show to be held in the City Park September 19, 20, 1987. Mr. Church requested Council's approval to use and park show cars on the grass on the east side of the City Park from Main Street back to the Old Football Field. He also requested Council's approval for car owners to camp in the park Friday and Saturday night (18th and 19th of September).

Following brief discussion, Council Member Neil Dutson MOVED to approve the request for the use of the City Park and for temporary overnight camping in the Park. The motion was SECONDED by Council Member David Church. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

OFFICER STEVE ALLRED: REVIEW OF PROPOSED DELTA CITY FIRING RANGE

Officer Steve Allred was unable to get the information he needed to discuss the firearms range and had told the City Recorder he would not be at the meeting. Mr. Allred asked to be on the next Regular City Council agenda.

MAYOR RUTH HANSEN: POLICE DEPARTMENT VEHICLE BIDS

Mayor Hansen asked Chief of Police Roger Young to review with the Council bids received on two Police Department vehicles.

Chief of Police Roger Young said that six bids were received for the police vehicles and presented a copy of bid quotations from each bidder to the Council. Chief Young said that he was hoping for a minimum bid of \$2,000. All bids received were under \$2,000 and Chief Young recommended that the Council reject all bids received on the police vehicles. It was the opinion of the Council that Chief Young should consider selling the cars at the State Auction. Chief Young will check check the auction and report back to the Council.

Following brief discussion, Council Member David Church MOVED to reject all bids received on the police vehicles. The motion was SECONDED by Council Member Craig Greathouse. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

MAYOR RUTH HANSEN: REGIONAL PARK PUMP REPAIR

Mayor Ruth Hansen said that a 7.5hp pump at the Neighborhood Park burned out and is in need of repair. She said the cost of the repair is estimated at \$623 and requested Council's approval to repair the pump.

Following brief discussion, Council Member David Church MOVED to approve repair of the pump for the Neighborhood Park. The motion was SECONDED by Council Member Neil Dutson. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

ATTORNEY RICHARD WADDINGHAM: PROPOSED ORDINANCE ESTABLISHING DATES, TIMES AND PLACE FOR REGULAR MEETINGS OF THE CITY COUNCIL

Mayor Hansen asked City Attorney Richard Waddingham to present a proposed ordinance establishing dates, times and place for regular City Council meetings. Attorney Waddingham presented a proposed ordinance entitled:

## ORDINANCE NO. 87-110

AN ORDINANCE AMENDING SECTION 3-501 OF THE REVISED ORDINANCES OF DELTA CITY (1981 edition) TO ESTABLISH THE DATES, TIMES AND PLACE FOR REGULAR MEETINGS OF THE CITY COUNCIL OF THE CITY OF DELTA, UTAH AND MAKING TECHNICAL CORRECTIONS TO THE SECTIONS PROVIDING FOR CALLINGS OF REGULAR AND SPECIAL MEETINGS OF THE CITY COUNCIL AND THE PROCEDURES REGULATING THE CALLING OF SUCH MEETINGS.

Following a brief discussion, Council Member Don Dafoe MOVED to adopt Ordinance No. 87-110. The motion was SECONDED by Council Member Gayle Bunker. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a roll call vote. The voting was as follows:

Council Member Craig Greathouse	Yes
Council Member Don Dafoe	Yes
Council Member David Church	Yes
Council Member Neil Dutson	Yes
Council Member Gayle Bunker	Yes

Mayor Hansen then signed the ordinance and it was attested by City Recorder Dorothy Jeffery.

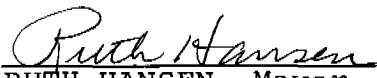
#### OTHER BUSINESS

Council Member Don Dafoe said that the BLM and Forest Service has proposed a fee schedule which would allow them to charge all broadcast facilities approximately \$1,000 per year per transmitter for the use of transmitter sites. If that fee schedule is adopted, Millard County would be charged approximately \$30,000 per year.

Council Member Craig Greathouse said that the Delta City Fire Department Budget needs to be submitted and verified by the Delta City Council before October 16, 1987.

City Recorder Dorothy Jeffery said that Gunnison City has requested that a meeting be scheduled with them and the past and present Mayor and City Council to discuss impact strategies. The meeting is scheduled for Tuesday, September 8, 1987, at 7:00 p.m.

Mayor Hansen asked if there were any further comments, questions, or items to be discussed. There being none, Council Member Neil Dutson MOVED to adjourn. The motion was SECONDED by Council Member David Church. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she declared the meeting adjourned at 8:30 p.m.

  
RUTH HANSEN, Mayor

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DOROTHY JEFFERY  
Delta City Recorder

MINUTES APPROVED: RCCM 9-14-87

ZIONS  
FIRST NATIONAL BANK

Please respond to:

DELTA OFFICE  
20 East Main  
Delta, Utah 84624  
801/864-2778

August 31, 1987

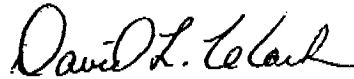
Richard Waddingham  
Attorney for Delta City  
Delta, Utah 84624

Dear Mr. Waddingham,

As per your request, I would like to inform you that the proposed modification of the I.R.B.'s for the Cedar Inn of Delta does not change the City's liability position from that when they originally approved the bonding in 1982. That position is still one of not having any direct or indirect financial liability.

I would like to express my appreciation on behalf of Zions First National Bank and Cedar Inn in this matter.

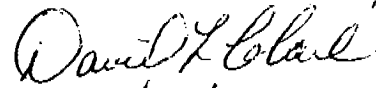
Sincerely,



David L. Clark  
Manager

DLC:ss

P.S. The limited delegation of the issuer, set forth in section 2.3 of the Indenture of Trust, entitled: Limited Obligation, shall include limited obligation of the issuer regard interest on any over due installment of principle or interest, and premium if any.

  
9/30/87